



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 5, 2006

Certified Return Receipt
7002 0510 0003 8603 2540

John Bleazard
Box 933
Grantsville, UT 84029

Subject: Conditional Acceptance of Notice of Intention to Commence Small Mining Activities, Island Rock #1 Mine, S/045/066, Tooele County, Utah

Dear Mr. Bleazard:

The Division received your Notice of Intent (notice) and initial permit fee payment on July 18, 2005, concerning your proposed Island Rock #1 small mine, located in Sections 16 and 29 of T2N R6W, SLBM, Tooele County, Utah, to disturb 5 acres.

The Division finds your Notice complete with the following conditions:

1. Reclamation Surety: The enclosed reclamation contract (form MR-RC) is required for this project. On the contract, please complete the following:
 - On page 1, toward the bottom, identified as: (Tax ID or Social Security Number), enter your Social Security Number;
 - Review document and initial Pages 1, 2, 3, 4 and 7 on the 'By' line at the bottom, left side of each page;
 - Page 5 - Sign. Signature *must* be notarized;
 - Return complete initialed, signed and notarized original contract to the Division by January 18, 2005.

Once the Division receives the complete contract, final approval will be issued. We will also send you a copy of the finalized contract for your records.

If you have any questions or require further discussion about completing the contract or other related matters, please phone Beth Ericksen @ (801) 538-5318, or email at bethericksen@utah.gov. Thank you for your cooperation to help finalize this permitting action.

Sincerely,

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

pb

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File Number _____

Effective Date _____

Other Agency File Number _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECLAMATION CONTRACT
---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) (Mineral Mined)	<u>S/045/066</u> <u>Rock</u>
"MINE LOCATION": (Name of Mine) (Description)	<u>Island Rock #1</u> <u>Approximately 8.5 miles northeast of</u> <u>Timpie, UT.</u>
"DISTURBED AREA": (Disturbed Acres) (Legal Description)	<u>5 (Five)</u> <u>(Refer to Attachment A)</u>
"OPERATOR": (Company or Name) (Address)	<u>John Bleazard</u> <u>Box 933</u> <u>Grantsville, UT 84029</u>
(Phone) (Tax ID or Social Security #)	<u>435-882-7403</u>

"OPERATOR'S REGISTERED AGENT":

(Name)

NA

(Address)

(Phone)

NA

"OPERATOR'S OFFICER(S)" & TITLE:

John Bleazard, Owner

SURETY":

(Form of Surety - Attachment B)

Cash (certified check)

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Utah State Treasurer's Office
Exhibit B1

"SURETY AMOUNT":

(Escalated Dollars)

\$2,500.00

"ESCALATION YEAR":

2008

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between John Bleazard the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. S/045/066 which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.



OPERATOR:

John Bleazard
Operator Name

By _____
Authorized Officer (Typed or Printed)

Owner
Authorized Officer - Position

Officer's Signature

Date

STATE OF _____)
COUNTY OF _____) ss:

On the ____ day of _____, 20 ____, John Bleazard
personally appeared before me, who being by me duly sworn did say that he/she is the
Owner of Island Rock Mine and duly acknowledged that said instrument
was signed and said John Bleazard duly acknowledged to me
that he executed the same.

Notary Public
Residing at _____

My Commission Expires:

DIVISION OF OIL, GAS AND MINING:

By _____
John R. Baza, Director

Date

STATE OF _____)
COUNTY OF _____) ss:

On the ____ day of _____, 20 __, _____
personally appeared before me, who being duly sworn did say that he, the said
_____ is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.

Notary Public
Residing at: _____

My Commission Expires:

ATTACHMENT "A"

John Bleazard
Operator

Island Rock #1
Mine Name

S/045/066
Permit Number

Tooele County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 5 acres under the approved / accepted permit and surety, as reflected on the attached map labeled Mine Area S/045/066 and dated July 18, 2005 :

Portions of:

the Northeast 1/4 of Section 16, and
the West 1/2 of the Southwest 1/4 of the Northeast 1/4
Section 29, Township 2 North, Range 6 West, SLBM
Tooele County, Utah.

